7: Furnivall G-4, 5 (no date) 1948 ALl Southeast Asia ALl

up with the natives through the large body of Indo-Europeans and in 1908 the railway staff, comprising all three groups, formed the first trade union. Before long purely native unions were formed, at first in Government service and from 1915 in private employment. By 1918 there were over twenty unions with upwards of 70,000 members, and by 1931 106 unions with 111,344 members, including 46 nation unions with over 85,000 members. In Africa 'natives are to a great extent debarred from forming unions to protect their interests, and legislation makes it an offence for contract natives to strike or withhold their services without giving notice of the termination of their contracts'.[1] Experience has shown that some collective means for the ventilation of grievances is desirable, as otherwise they may remain unknown to the authorities until disorders break out, but it has been questioned whether trade unions can serve any useful purpose in territories where the State has assumed a full responsibility for working conditions. The answer to this question depends on the extent to which the State discharges the responsibilities that it has assumed, and, in view of the lack of special machinery to enforce protective regulations, and the general ignorance of administrative officers regarding labour questions and conditions, there would seem to be a wide field in which the organization of labour could be useful.

In the West labour disputes turn chiefly on the point of wages. It may be assumed that better wages will enhance both efficiency and welfare, and that a standard minimum wage will ensure a reasonable level of subsistence. In the tropics the rewards of labour are governed by different considerations. Low wages seem to reduce the cost of production and, until recently, have been regarded as contributing to economic progress. In Burma the Government subsidized the importation of Indian coolies with a view to bringing down the rate of wages.[2] In Java, up to the end of the nineteenth century, low wages were considered one of the chief assets of the country, and a source of its prosperity. In Africa it is only of recent years that employers have tended to question 'the traditional view of the African labourer as crude man-power, which could be suitably remunerated by a low and undifferentiated scale of pay', and the conditions of development and the free use of pressure to provide labour have resulted in artificially low rates, approximating to the amount required for the support of an unmarried man.[3] Low wages attract capital and encourage

[1] *African Survey*, p. 698.
[2] *RAB*, 1882–3, p. 141.
[3] *African Survey*, pp. 696, 710; Frankel, pp. 11, 12.

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465 economic development. But experience has shown that they hinder economic progress and destroy welfare. They destroy welfare because they leave the labourer no margin for maintaining his family at home, and thereby contribute in no small measure to the disorganization of social life; they hinder economic progress because they are too low for physical efficiency and discourage the introduction of machinery. Standard minimum rates have been suggested as a remedy. In Netherlands India minimum wages were fixed for the sugar estates of Java so far back as 1898, and for the plantations in Sumatra a few years later. In Malaya standard wages were fixed in certain districts in 1927, as an indirect outcome of the rise of nationalism in India.[1] Britain and other colonial powers have accepted the Geneva Convention of 1928 for the creation of wage-fixing machinery, and in Africa some Governments have been given the necessary powers, though they have been slow to act on them.[2] Regulations can make the best of existing economic conditions, but they cannot in themselves change the conditions. In Netherlands India wage rates have usually been above the standard rates, but in Africa it would probably be difficult to sanction any minimum wage that did not involve a general rise of wages. Moreover, opinion is divided as to the probable result of higher wages. Even in Europe higher wages do not always increase production or enhance welfare. In the tropics many hold that higher wages encourage labourers to do less work, as generally happens where employment is sought merely to pay taxes. There are also complaints that men who make good money tend to waste it on whatever takes their fancy instead of spending it on their food and families. Employers are naturally reluctant to raise wages if the result is that they lose their men, and, when paying good wages, they want the men to spend the money in ways that will make them more productive workers. There is much force in the argument that high wages do little to promote either development or welfare, but are chiefly beneficial to western manufacturers importing goods, often prejudicial to native economy and social life.

Moreover, there are great practical difficulties in raising wages. Far-sighted employers, actuated by enlightened self-interest may wish to pay good wages, but they cannot risk being undercut by employers who are less scrupulous or less intelligent. Also much of the labour is seasonal or casual. No single employer has any interest in raising the wages of the coolies huddled in the coolie barracks of

[1] Mills, pp. 227–9. [2] *African Survey*, p. 695.

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Rangoon on pay that is far below the level of subsistence. The agricultural labourer is in the worst case of all, for except so far as he may be protected by custom, which soon proves ineffective, he is exposed to the full blast of economic forces, and does not even enjoy the support of European labour. These conditions are inherent in the plural character of tropical economy. As Lord Hailey notes, 'the situation presents features essentially different from those of Europe', where economic development implies that 'new centres grow into organized wholes', and imposes responsibilities on the whole community where the labourers reside.[1] In the plural society of the tropics, however, employers and employees, even though living in the same locality, inhabit different worlds with no common social life. The 'iron law' still holds, and wage levels are determined by conditions in the reservoirs from which the labour supply is drawn. In Malaya any very great increase in wages must wait upon a similar rise in the reservoirs of over-abundant and, therefore, cheap labour in India and China.[2] Conditions in Bangkok and Saigon react on the wages of rice-mill coolies in Rangoon. Similar considerations apply to unskilled labour in Africa. Local action is almost impotent to raise the scale of pay, and any attempt in that direction encounters stiff opposition.

It is much easier to improve the conditions of working than to raise wages. Not even the most acute inspector can fathom the implications of a wages bill, but anyone can see housing, hospitals and schools. Good employers may lose their men by raising wages, but they can retain them by providing food and quarters. These things attract labour and make it more docile and contented. Firms which voluntarily provide amenities with a view to increased efficiency naturally support legislation to impose similar conditions on their competitors, and, as the provision of amenities is costly, such legislation favours big business at the expense of less substantial rivals and tends to limit competition. Also capital has often been invested on the assumption that labour would continue to be available at artificially low rates, thus creating vested interests 'likely to demand measures which would, in fact, ensure a supply of labour on these terms'.[3] Such conditions are especially prevalent in urban areas, where industries depend on the existence of a supply of relatively low-priced labour. This allows employers to claim plausibly that 'the contribution which the workers make to industry and through it to the financial prosperity of the

[1] *African Survey*, pp. 709, 1199.
[2] Frankel, p. 12.
[3] Mills, p. 249.

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727 464 together with the curtailment of alien Asiatic immigration, afforded plenty of jobs for those who were willing, or were forced, to work for wages paid in inflated currency.

727 433 464 In the food-surplus countries—Burma, Siam, and Indochina—which were also those receiving the most favored political treatment at the hands of the Japanese, the areas under rice and allied crops declined. The decrease in the number of draft animals through disease and Japanese requisitioning; the lack of implements; and, above all, the loss of former export markets caused the local farmers to cultivate very little more than their families required, and there was a marked exodus from the agricultural communities to the cities or places of more remunerative employment. In the countries of food deficiency—Malaya and the Outer Islands of the East Indies—the Japanese made great efforts and probably succeeded in increasing the area under food-crop cultivation, but never to the point of self-sufficiency. The Japanese also arbitrarily prohibited certain industries as "nonessential" and shifted the workers to others accordingly.

727 465 Very little information is available as to the wages paid during the Japanese occupation. Where local labor was limited and native goodwill was sought, as in Siam, the Japanese seem to have paid high wages from the outset. In densely populated areas like Java, wages were reportedly decreased immediately after the occupation. In time, and with the ever greater need for additional labor services, the Japanese permitted successive wage rises. But nowhere did wage increases keep pace with the more rapidly rising cost of living and they had to be supplemented by allowances, medals, and words of praise. The groups that suffered most from this disparity were the Asiatic government-servant and white-collar class, whose numbers had always exceeded the demand and whose services were far less necessary to the Japanese than was manual labor.

727 466 468 Labor legislation was passed only in negative measures of regimentation and outlawing of strikes. Nevertheless, reports of strikes periodically filtered through the barrage of Japanese propaganda, particularly a few that took place in Indochina and Burma. Most of them registered grievances against low pay, high living costs, and heavy taxation, but some were doubtless of a political character—difficult to distinguish from sabotage. Following one strike in 1943, the Cochin-China police arrested a number of "communists." In Malaya and Indonesia, control by the Japanese military and naval forces was not exercised through any native administration, and the strictness of their rule seems to have precluded any possible recourse to the strike weapon.

727 466 In Burma, Malaya, and Indonesia the Japanese set up a bewildering array of organizations into which the local peoples were regimented by communal, occupational, religious, sex, and age groups. Not only did